

# **PARTICIPATORY DEMOCRACY AND PUBLIC ADMINISTRATION: A STUDY OF THE BUDGET EXPERIENCE OF THE STATE OF PIAUÍ**

Márcio Rodrigo de Araújo Souza – UFPI\*

Monique Menezes – UFPI\*\*

**Abstract:** This article analyses the experience of participatory planning in Piauí, an instrument created in 2007 to increase the participation of civil society in defining the state's public policies. The study has two central arguments. First, the great dependence of Piauí on the resources of the federal government leaves little room for the formulation of specific public policies, hindering the implementation of policies considered to be priorities by the civil society, which participates in assemblies and councils that compose the participatory planning of the state. Second, despite the creation of the participatory institution within the state's executive branch, we observed a lack of planning by the government in accommodating the demands of the population. The state's departmentalised administrative structure inhibits communication between departments for the implementation of integrated policies.

**Keywords:** Participation; democracy; councils.

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\* Master's degree in Political Science from the Federal University of Piauí (Universidade Federal do Piauí - UFPI). Specialist in Public Administration from UFPI. Bachelor's Degree in Accounting from the State University of Santa Cruz (Universidade Estadual de Santa Cruz - UESC). Since 2009, has held the position of Government Auditor in the Comptroller General of the State of Piauí (Controladoria-Geral do Estado do Piauí - CGE).

\*\* Master's Degree and Ph.D. in Political Science from the University Research Institute of Rio de Janeiro (Instituto Universitário de Pesquisa do Rio de Janeiro - IUPERJ). During the Ph.D. programme, was awarded a scholarship to spend eight months at the University of California, San Diego under Professor Mathew McCubbins. Currently is a professor in the Master's Degree Programme in Political Science at UFPI.

## 1 Introduction

Since the 1980s, Brazil has experienced steady growth in political participation through councils and participatory budgeting. From an institutional perspective, the 1988 Constitution was the starting point for the formation of various participatory measures (AVRITZER, 2011, p. 13). Participatory budgeting, which has become widely disseminated among Brazilian municipalities, was first implemented in 1989 in the city of Porto Alegre and has inspired many similar experiments. At the state level, Rio Grande do Sul was the first state to employ this public administration model between 1999 and 2002.

The various participatory institutions provide citizens with the opportunity to influence the government's choice of policy priorities, whether local or at broader levels. The institutions' main objective is to give *voice* to low-income individuals, who in general are politically marginalised by society, by expanding their rights beyond mere participation in elections. However, the several empirical studies on this subject show that these institutions can also be used as instruments of power by politicians and bureaucrats and often function as a model for reproducing the traditional domination (WAMPLER, 2007, p. 1). Thus, one topic that has been discussed in the literature is assessing the operationality of the participatory institutions and verifying their effectiveness for democracy.

In this article, we use the concept of participatory institutions defined by Avritzer (2003, p. 3), i.e., "a way of rebalancing the relationship between representative democracy and participatory democracy". In this sense, the author identifies four characteristics: first, a transfer of sovereignty by elected politicians and bureaucrats to regional or thematic assemblies where citizens have the power of decision; second, the existence of elements of participation and delegation that are generally operationalised by assemblies and councils, respectively; third, the principle of sovereign self-regulation, with rules defined by the participants themselves; and fourth, a change in priorities for the distribution of public resources whereby the neediest sectors have the highest priority. Thus, these institutions operate according to both

representative and participatory principles through direct interactions with political parties and state actors.

This definition allows us a framework to analyse participatory institutions and evaluate whether public participation in the choice of policy priorities actually exists and what their contribution is to the quality of democracy in the sense of expanding the citizenship and accountability of elected politicians. Conversely, we can also determine whether these institutions have only an illusory character, i.e., if they only serve to legitimise the government's actions and maintain the traditional representative model.

In this context, the general objective of this study is to analyse the experience of participatory planning in Piauí, which was created in 2007 to broaden the participation of civil society in shaping the state's public policies. The presented analyses are based on an exploratory survey conducted through nine qualitative interviews and a content analysis of official state documents. The study has two central arguments. First, the great dependence of Piauí on the resources of the federal government leaves little room for the formulation of specific public policies, hindering the implementation of policies that are considered a priority by the civil society, which participates in assemblies and councils that compose the participatory planning of the state. Second, despite the creation of a participatory institution within the executive branch of the state, we observe a lack of planning by the government in accommodating the demands of the population. The departmentalised administrative structure does not allow for effective communication between departments for the implementation of integrated policies, nor does it allow the verification of projects *vis-à-vis* what was approved in the assemblies and councils.

The paper is divided into two sections in addition to this introduction and a conclusion. In the next section, we discuss the participatory institutions in the context of democratic theory. Our goal is to describe the contributions of these institutions in increasing the quality of contemporary democracy. Then, we present the case study of the participatory budgeting in the state of Piauí. In this section, we analyse the main institutional and cultural challenges to the effective participation of the population.

## 2 Participation and deliberation in democratic theory

According to Nobre (2004, p. 21-22), there are two arenas in which struggles over the democratic model are fought. The first is the definition of the institutional apparatus responsible for sustaining the democratic regime. This arena has an historical tradition in debates about democracy throughout the modern era. Within this apparatus, important institutions are discussed, such as periodic elections, the governmental regime, the arrangement of powers, and the role of bureaucracy. In the second arena, discussions take place concerning the creation, maintenance, and transformation of the spaces created within the ambit of the state so that the people actually participate and deliberate on matters of a political nature.

So-called participatory democracy emerged as a counterpoint to the liberal legalistic model of the twentieth century. Przeworski, Stokes, and Manin (1999) argue that voting is the only mechanism of vertical accountability<sup>13</sup> available for citizens in contemporary democracies to control and influence the choices of elected politicians. The participatory design strongly contrasts with the idea that the state is limited to ensuring the negative freedoms of citizens and that citizens should achieve their political, economic, and social goals autonomously. Participatory democracy holds that the state must guarantee an equality of cultural and material conditions for all citizens so they can effectively achieve direct participation in democracy. In other words, beyond the exercise of voting, the state should guarantee that all citizens are capable of participating in major policy decisions.

Therefore, according to Ugarte (2004, p. 98), regardless of the different theoretical perspectives that are presented with various aspects of this model, deliberative democracy offers a core of fundamental and universal concepts. The first fundamental concept of deliberative democracy is that all citizens should participate in the decision-making process in issues involving the collective interest. If general participation is impossible, representatives should be chosen for this purpose. The

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<sup>13</sup> For a better understanding of the different types of accountability, see Guillermo O'Donnell (1994).

second fundamental concept of deliberative democracy is that the results of any deliberations must be based on a broad discussion of the reasons and justifications for the public's choices. In such a discussion, a consensus based on the pillars of fairness, rationality, and objectivity must prevail.

Therefore, we agree with Ugarte's (2004) concept in the sense that democracy can be understood as a form of government in which the largest number of citizens freely participates in a decision-making process that involves issues of collective interest through publicly pre-established procedures. However, the effectiveness of participatory institutions is highly correlated with the degree of local associationism, as argued by Avritzer (2003).

In a corollary of participatory democracy, the conception of deliberation arises as a way to justify political decisions. The deliberative model of democracy argues that even when decisions are made by a small number of people, the choices should be based on criteria that are widely accepted by the population. The concept of political justification arises as an element that can bring decision makers closer to the citizens to the extent that decisions are made based on public debate and that are accepted by the majority of the population.

According to Dryzek (2004), the core of deliberative democratic theory is legitimacy, which can only be achieved when the results of political decisions are desired by everyone interested in the decision in question. This desire can be demonstrated by the citizens' direct participation in public deliberations. However, a fundamental question must be addressed by this model: how to ensure that everyone participates in the public deliberations. This question can be extremely complex; for example, Brazil has nearly 200 million inhabitants and a territory of over 8.5 billion square kilometres.

For Dryzek, theorists of deliberative democracy worked around this problem by setting as a condition for legitimacy the right and ability of everyone to participate in the decision-making process, not the effective participation of everyone in that process. Thus, in the words of the author,

Putting the problems in terms of a universal right, capacity, or opportunity to deliberate, rather than the actual exercise of that right, capacity, or opportunity, makes deliberative democracy more plausible. (2004, p. 42).

In addition to the right and capacity to deliberate, there is another limit on participatory democracy: the opportunity and willingness of everyone to participate in public life. In this respect, it seems appropriate to raise another question: are all citizens really interested in participating and deciding on matters of public nature? Or are many people more concerned (if not exclusively) with matters of only a particular nature? Initially, based on measures of effective popular participation in public matters in Brazil, there are strong indications that the second issue supersedes the first.

However, that fact is not lethal to deliberative democracy. The possibility of involving only a small number of people in deliberations is openly considered by theorists of deliberative democracy. Thus, participation that is restricted to a small group of “stakeholders” does not arise as an impediment to the exercise of democracy because any decisions are guided by public reason (a concept coined by John Rawls). In analyses of the functioning of participatory budgeting institutions in Belo Horizonte and Porto Alegre, cities that are considered successful in Brazil and in which associationism is strong, participation is approximately 1.0% and 1.5%, respectively (AVRITZER, 2003). Thus, even in locations with strong associationism, the effective participation of the population is relatively low compared with the total population that has the right to participate.

Dryzek’s (2004, p. 58) conclusion is that democracy is not a matter of counting heads and that there can be democracy even without the effective and direct participation of 100% of the concerned population as long as decisions are made based on the expectations of that population. In other words, proponents of deliberative democracy do not find a fatal flaw in the model because of the non-participation of individuals, taken alone. Rather, they argue that the crux of the matter is the deliberations made through the prism of public legitimacy and the acceptance of the general arguments by the majority, even if the decisions are made by only a small group of representatives.

From the point of view of the effectiveness of participatory institutions, the literature indicates that when there is a tradition of strong community associationism, there is an increase in participation, as in the case of Porto Alegre (BAIOCC, 2002). However, Avritzer (2003) argues that the effects of the political culture are different when there is no local associative tradition. The author shows that in such cases, the participatory institution becomes a “systemic way of implementing a distributive policy and making it completely dependent, as a policy, on the mobilisation capacity of the local government” (AVRITZER, 2003, p. 38). The effectiveness of this model depends on political will at the expense of civil society.

Today, the concept of political citizenship in Brazil does not discriminate by any social, economic, or sexual condition, as has occurred in the country’s recent history. Anyone aged 16 years or older, whether female or male, and regardless of socioeconomic class has a formal right to vote for members of the government. However, one question that arises in this respect is that the Constitution, while recognising the right of illiterates to participate in the electoral process, excludes them as actual voters. In this sense, the message of universal suffrage conveyed by the Constitution is inconsistent with the concept of universality. The question that must be asked is the following: can formal education be considered an excluding factor for citizens to vote to fill the country’s political offices?

According to De Paula (2005, p. 153-172), the 1980s were important in the recent history of Brazil for organising civil society around common political objectives regarding the country’s political opening. In this sense, during discussions on the text of the new Constitution (which was enacted on October 5, 1988), social movements managed to include important instruments for the direct participation of society in public administration.

De Paula (2005, p. 153-172) further argues that among the most important instruments in the current national political scenario are thematic forums, such as the World Social Forum, which, although they are non-state initiatives, manage to influence the country’s political agenda (perhaps because they are international organisations) through the three branches of government; administrative councils of public

policies, such as the councils of education of the federal government, states, and municipalities; and participatory budgeting, which were created from local experiments conducted by leftist administrations in the late 1980s.

The administrative councils of public policies are mechanisms of direct popular participation in matters of great importance in public administration. Unfortunately, there are several reports in the national literature regarding the formal existence of such councils as a means to “fulfil” the law, but they do not work as they were designed and become hostages of excessively controlling public administrations. The analysis conducted by Fonseca (2011, p. 161) shows that the local context and adopted informal rules are essential to the functioning of these councils because when there is no participatory culture, the initial logic of such councils can be inverted, turning participatory institutions into legitimisers of the already-existing power relationships.

The idea behind the councils is for a collegial body of government and civil society representatives to work together to guide or oversee certain state actions. Most public policies today are implemented based on the deliberations of councils. According to the IPEA (2005), Brazil had more than 39,000 councils in 2011, and many of them were created independently to accommodate certain types of institutions.

Some of the most important representative councils in the country include 1) the School Feeding Council, whose purpose is to manage the application of resources for school meals and to assess their quality; 2) the Municipal Health Council, which proposes targets for local public healthcare and manages the resources allocated to the public health system and the execution of specific programmes; 3) the Council of Social Control of Bolsa Família (Family Allowance), whose main function is to manage the programme and determine whether families meet the criteria to participate in it; 4) the Social Assistance Council, which oversees the delivery of resources and their application in social assistance programmes, especially those aimed at children, the elderly, and the handicapped; 5) the Council of FUNDEB, which is responsible for planning and overseeing the application of resources for education; and 6) the Council of Public Transport, whose function is to monitor the operation of the public transportation systems in



municipalities, including the determination of cost.

The mechanism of participatory budgeting, in turn, aims to allow ordinary citizens to participate in decisions regarding the distribution of public resources in several areas of the government. Although the institutional rules for participatory budgeting vary by city or state, the literature indicates some typical components, including the following:

- In general, there is a division of the territory, either the municipality or the state, into regions. The aim of this division is to facilitate meetings and the distribution of resources. Citizens are elected as representatives for the participatory budgeting of each of the regions.
- A minimum number of meetings with government representatives throughout the year is guaranteed to discuss the various aspects of budget policies: new proposals, debate of these proposals, distribution of resources, oversight, etc.
- Public deliberation and negotiation between the participants and the government.
- Citizens are responsible for electing their representatives to the participatory budgeting institutions.
- Representatives choose the projects that should have priority. This vote may be secret or public.
- In general, the councils are large and substantial enough to effectively achieve the final decision making and monitoring of the programmes. However, the councils also often comprise representatives from different regions.
- In some places, an annually published report details the programmes and projects (WAMPLER, 2007, p. 52).

The chart below presents a summary of the constitutional mechanisms for popular participation in Brazil. In addition to the councils, the table shows other existing methods for Brazilian citizens to act directly in the formation of public policies.

## Chart 1 – Summary of the constitutional and legal mechanisms for public participation in the conduct of public matters in Brazil

<b>Instrument</b>	<b>Foundation</b>	<i>Purpose</i>
Vote	art. 14 of CR.	To choose those who will represent the people in the control of the state, both in the executive and legislative branches for all of the entities in the Federation.
Plebiscite	art. 14, I, of CR. Law 9.709.	To assess the popular preference on certain matters of public interest in advance.
Referendum	art. 14, II, of CR. Law 9.709.	To assess popular opinion about government policies regarding the collective interest, which can be confirmed or rejected.
Popular Initiative	art. 14, III, art. 29, XIII, and art. 61, of CR. Law 9.709.	To begin the legislative process to edit a law of public interest at the municipal, state, or federal level.
Right to Information	art. 5 <sup>th</sup> , XXXIII, of CR.	To determine the intricacies of Public Administration, including its processes, partners, and purposes.
Right to Petition	art. 5 <sup>th</sup> , XXXIV, <i>a</i> , of CR.	To obtain specific information, including documents, related to state administrative matters.
Popular Action	art. 5 <sup>th</sup> , LXXIII, of CR.	To nullify an act that is injurious to public property, administrative morality, the environment, or the historical and cultural heritage.
Representation	art. 37, §3 <sup>rd</sup> , III, art. 74, §2 <sup>nd</sup> , art. 103-B, §4 <sup>th</sup> , III, art. 130-A §2 <sup>nd</sup> , III, of CR. Art. 73-A of LRF.	To confirm that the relevant bodies (Internal Control System, Court of Accounts, Public Prosecutor's Office, National Judicial Council, and National Council of the Public Prosecutor's Office) adopt the necessary measures in their respective areas of expertise to ensure legality, probity, and morality within the ambit of the Public Administration.
Inspection	art. 31, §3 <sup>rd</sup> , art. 173, §1 <sup>st</sup> , I, of CR; arts. 48, 48-A and 49 of LRF.	To investigate, through accountability analysis, requested documents, information (see Right to Petition), and instruments, such as the Summary Report of Budget Execution or the Fiscal Administration Report, to determine whether the management of public resources is being performed efficiently, effectively, and within the bounds of legality.
Outcome Assessment	art. 1 <sup>st</sup> , single paragraph of CR; art. 48, 48-A and art. 50, §3 <sup>rd</sup> , of LRF.	To assess whether public administrators are fulfilling their roles as agents of the sovereign will of the people, especially whether government plans, the Multi-Year Plan, Budget Guidelines, and the Budget are being implemented satisfactorily.
Participation in Participatory Budgeting	art. 37, §3 <sup>rd</sup> , I, II of CR; art. 48, single paragraph, subsection I of LRF.	To directly participate in the conduct of public matters, especially in the making of budget proposals, which will guide the use of public funds and through which society can satisfy important and urgent social demands.
Representative Council	Infra-constitutional legislation according to each area.	To act as an organ of prior, concurrent, and subsequent control in different public policy areas.

Source: prepared by the authors. Notes: CR – Constitution of the Republic; FRL – Fiscal Responsibility Law.

## ***2.1 Financial activity of the state and public policies***

Currently in Brazil, all of the state's financial activities must be supported by public deliberations held within the legislative branch. The state's financial activities involve both revenue collection and expenditures, and to either generate resources or spend money, the government needs prior legislative authorisation (realised through the laws). In practice, the executive branch prepares a budget proposal in which it inventories all of the resources available to raise revenue and enumerates all of the expenses it intends to incur during the year. This proposal is forwarded to the legislative branch, which has the responsibility to discuss, amend, and approve the general budget of revenues and expenditures.

Government revenues are mostly compulsory; they do not depend on citizens' consent to be levied and collected. Taxes account for nearly all of the common revenue of the government, and taxes are paid by the population in a systematic and regular manner. In contrast, the government makes decisions to apply those resources to activities that result in benefits to citizens, especially in the areas of greatest need: education, healthcare, urban infrastructure, security, justice, services, etc.

One issue that is always present in discussions of public finances is the criteria through which the government's priorities are established. There are always people who are unsatisfied with the choices made by the government. This fact follows from the fundamental economic axiom that resources are scarce and cannot meet all demands simultaneously. Thus, there is a strong relationship between participatory democracy and public administration. For Tenorio and Saraiva (2006, p. 126-127), a context of social governance is currently being experienced in Brazil, which is understood as a form of *res publica* administration in which the government makes its decisions as a way to serve the interests of society, which itself has mechanisms to participate directly in the administration process. The cases of public policy councils, thematic forums, participatory budgeting, access to information, and the search for knowledge about public matters are all part of this so-called social administration.

However, as discussed above, these institutions are not always effective. In places where there is an associative tradition, there is low participation in councils and forums, which depend heavily on the political will of the executive. This seems to be the case for participatory budgeting in the state of Piauí, which we examine in the next section.

### **3 The experience of participatory budgeting in Piauí**

Since the mid-1990s, the state of Piauí has sought to introduce participatory institutions in the government. “I have recently participated in a debate in which it was mentioned that there had already been some attempts in the 1990s, approximately 1995” (Interview with the Administrator of the State Government). However, the state did not enact supplementary law no. 87 until 2007, the goal of which was to include the perspective of territoriality and the direct participation of society in the planning and budgeting process. This law sought to ensure that state actions were organised according to the needs of each region. Considering the heterogeneity of the critical problems in each region, the government sought to meet social demands according to the peculiarities presented by each territory through participatory institutions.

According to official government documents,

From the territorial view, there is an establishment of policies that consider the peculiarities, problems, and potentialities of each territory. This form of planning was implemented in the state of Piauí in 2003 with the Project Regional Scenarios, an integrated action plan involving all bodies, programmes, and projects of the State Government, civil society organisations, and private companies, through a number of regional activities to encourage participation and the cooperative engagement of the various institutions for the promotion of sustainable regional development (ANNEX I OF LAW 5,714/2007, p. 23).

In fact, the most significant constitutional provision regarding the duty of the state in budgetary matters is to attempt to reduce micro-

regional socioeconomic inequalities (art. 178, paragraph 7, of the State Constitution). However, art. 178, §1 of the same Constitution provides that medium-term planning should strive for the micro-regionalisation of guidelines and goals of the government for the realisation of capital expenditures and government programmes.

In this sense, supplementary law n. 87/2007, which formally established participatory territorial planning, divided the state into four macro-geographic regions, 11 development territories, and 28 clusters, with the territory as the most visible basis for medium-term government planning.

The legal basis (established in art. 1 of supplementary law n. 87/2007) for the territorial division of the state includes environmental characteristics, economic goods production, the socioeconomic relationship between the cities, the existing road network, and the political-administrative division of the state.

### *3.1 Administrative structure vis-à-vis participatory planning*

In a corollary, the developmental territory was defined as the basic planning unit for the implementation of government actions so that public planning achieved through budgetary laws (the multi-year planning law, the annual budget, and the appropriations bill) would henceforth follow the perspective of territoriality. That is, the government should formulate specific policies to meet the unique demands of each region.

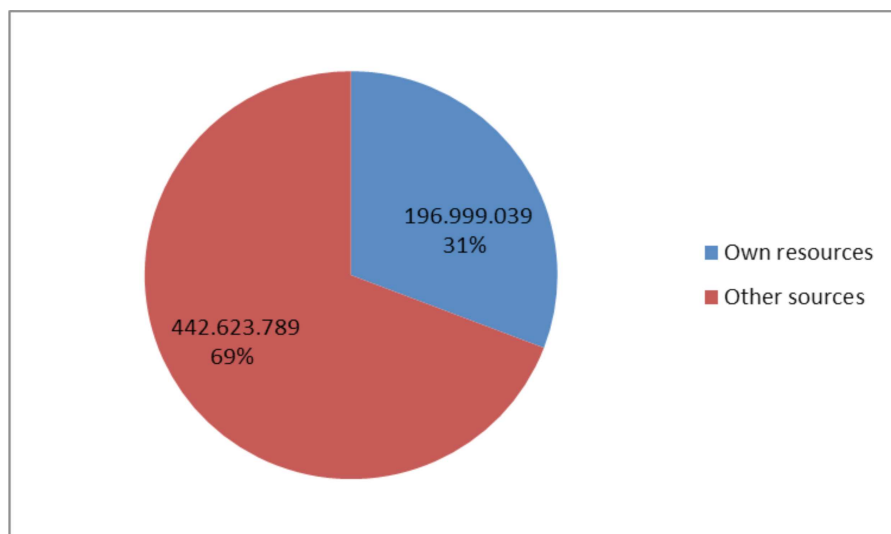
However, because the state of Piauí ranks among the country's poorest and most dependent on federal funds, it has little margin for formulating specific policies and therefore becomes a "hostage" of voluntary transfers from the federal government to implement targeted actions to meet social demands. The state's administrators seek to minimise this dependency by arguing that the state always must provide compensation in relation to federal resources.

See, in the case of these actions, if there is an action, any action that exists at this level, which is structured, none of the Ministries working with the states comes without local

compensation, and this compensation varies a lot. For example, if you create an investment to interconnect, through paving, all municipalities of a given territory and it will cost 5 billion, 20% of that is the state's responsibility, and the Ministry does not send any money without the state contributing beforehand (Interview with Public Administrator).

Despite the above argument, we know that the state government alone can do little to meet the demands of the territories because the state's resources are insufficient for performing structured investments in the state of Piauí. For example, the mission of the Infrastructure and Logistics for Development Programme is to address structural bottlenecks in the state. However, more than two-thirds of the budgeted funds for this programme come from external sources, mainly covenants (voluntary transfers from the Union) and the internal credit operations (made possible through BNDES).

Figure 1 – Sources of funds for infrastructure investments in the 2008-2011 quadrennium



Source: Prepared by the authors based on the PPA 2008-2011.

The implementation of the government's plan structured through autonomous programmes faces a serious operational obstacle: administrative departmentalisation. In practice, the departments are occupied by parties from the government's support base, and they therefore must work with two different agendas: one focused on the interests of the political party and the other focused on the core role of government. In general, the first agenda is a priority in every department. Thus, although formally planning is conducted based on programmes, the state does not have any mechanism for the administration of public policies because its administrative structure is based on the departments.

[...] then we have a big problem that is not of this administration, but we have been working in this direction to solve this in the short term, which is to make the budget a regional budget. We have a regionalisation policy in terms of decision making, but our budget is not regionalised. It is not yet. You define and make a decision, but at the time of monitoring, tracking, knowing about that activity, the feedback is lacking (Interview with Public Administrator).

As seen in the quotation above, the state administrators recognise that there is a policy aimed at regionalising decision making and investments in public policies that is not followed by the budget structure. Because the administrative structure is completely different from the planning structure, there are difficulties in meeting the demands of the territories due to organisational problems and a lack of ability to monitor the implementation of policies.

In the case of Piauí, we also do not observe intra-governmental coordination in the sense that the departments involved in budgetary activities do not work together to achieve their delineated purposes. This lack of coordination can be observed in the work performed by the General Comptroller of the State on the evaluation of government programmes in 2009 (Operational Audit Report on the Universal Access to Basic Education Programme). In the interviews conducted for this study, the administrators recognise that the federal government

is better prepared to monitor and track the existing programmes in the state:

[...] the federal government is better structured to do this monitoring; in our planning, we understand that one thing that really compromises this process is that we have failed to develop a monitoring tool (Interview with Public Administrator).

Let us return to the example of the Logistics and Infrastructure Development Programme because of its relation with the activities discussed in the participatory planning process on the proper structure for investments.

According to the Multi-Year Plan (Plano Plurianual - PPA) of 2008-2011, the stated goal of the programme concerns:

Increasing the availability of water in the poorest regions of the state; encouraging the exploitation and marketing of mining; providing the municipalities with basic infrastructure for socio-economic development; and reducing the costs and shortage of road transport for passengers and goods (p. 224).

The chart below shows the multi-year budget for the programme, which totals 639 million reais.

Chart 2 – Multi-year budget of the Infrastructure and Logistics Development Programme

Year	Budget
2008	76,068,503.00
2009	141,675,502.00
2010	243,575,211.00
2011	178,303,612.00
Total	639,622,828.00

Source: PPA 2008-2011.



We analysed the composition of the programme according to the activities created to achieve its goals. The total is 420 activities. The logic of the government's activity planning (determined by the Logical Framework model<sup>14</sup>) dictates that for every action there must be a specific purpose, which is to address the causes of a public problem. Following this methodology, the logic of territorial planning formally adopted by the state of Piauí states that every action must be specified by a developmental territory.

Unlike what is recommended by the model, we observe that, of the 420 activities, only 105 have a defined purpose (however, many of these defined purposes are vague, imprecise, and are not related to the specific problem). In other words, at least 75% of the actions are not planned because they have no direct relationship with the public problems that need to be addressed by the government. In this sense, one realises that the government planning established in the PPA is unstructured because there could never be an action without a purpose, as such an action would represent an innocuous effort of not addressing any problem. By deepening the analysis further, one realises that only five activities meet the definition criteria of a purpose and a specification of the territory. We observe that 98.8% of the activities are not established by relating the specific development territories and a purpose. These results demonstrate the lack of effectiveness of the state's planning.

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<sup>14</sup> A good definition of the Logical Framework (Quadro Lógico – QL) model can be found in Pfeiffer (2006, p 145-190). According to this author (p. 147), “The QL is a matrix successively elaborated in a process of structuring those elements considered as the most important ones in a project, which allow its systematic, logical, and succinct presentation. What must always precede the planning of a project is an analysis of what is wanted to change with the intervention, in general, a problem situation. Importantly, the QL is not a complete plan for a project. It is only a summary of the intervention plan, which basically provides answers to the following questions:

- Why should the project be done?
- What is its purpose and what are the changes to be achieved?
- How is it intended to produce improvements?
- What are the external conditions that will influence the achievement of outcomes and their effects?
- How is it possible to identify the scope of the improvements and changes?”

When comparing the planning of activities with the execution of the budget, one realises that the minimum set in the PPA disappears completely. We observe that no budgetary controls are placed on the activities, either by the Infrastructure and Logistics Development Programme analysed here or by the municipality and territory in which the activities are designed to be executed. The only controls established for the execution of the budget are those determined by law (function, programme, body, nature of the expense). For example, the Federal Constitution (art. 212) requires that states spend at least 25% of their net tax revenue on education. In this case, there is a control regarding the execution of the expense to comply with the law, although there is no planning to make the actual investments.

Administrative control of the plan and the budget is completely neglected. Thus, the process of territorial participatory planning by the government of the state of Piauí is a mere formality, and there is no real commitment to compliance with the proposals.

The state government has no mechanism in the budget to determine which development territory is targeted by a planned action, which demonstrates the ineffectiveness of the participatory planning process because it is not possible to establish the desired location for the expense.

### ***3.2 Institutional design***

Complementary Law n. 87/2007 defines the functioning of territorial participatory planning. From the point of view of the general institutional design, there is a General Assembly in each municipality in Piauí comprising the “local authorities and civil society” responsible for it. Each General Assembly defines the priorities and chooses representatives to serve on the Council of Territorial Development. There is one Council of Territorial Development in each territory, and it is composed of representatives of the government and civil society from all of the involved municipalities, whose purpose is to deliberate on municipal proposals and prioritise them for the territory. Finally, the State Council of Development is responsible for consolidating all of the presented proposals and finalising the

participatory process by integrating the results with the formal government planning.

The following table summarises the organisational structure for participatory budgeting in the state of Piauí or, as the administrators prefer, “participatory planning”. The Municipal Assemblies are open to all citizens, allowing broad participation. However, there is no guarantee that society’s demands will be accepted because they must be approved by the Council of Sustainable Territorial Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS) and the State Council of Sustainable Development.

The functions of the Council of Sustainable Territorial Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS) include creating a hierarchy for the actions of each territory, i.e., the councillors are responsible for defining the policies that should be prioritised. This principle is reasonable because, according to the guidelines of the law that created participatory budgeting in Piauí, the territory, not the municipality, is the basic unit for state planning. However, this decision should be made based on criteria defined by the State Council of Sustainable Development, thereby nullifying its power of self-regulation, which is a critical characteristic for the functioning of participatory institutions (AVRITZER, 2003).

Furthermore, the ability to transfer sovereignty from elected officials to citizens in the municipal and territorial authorities is unclear, which is a fundamental characteristic of participatory institutions (AVRITZER, 2003). On the contrary, the State Council of Sustainable Development (Conselho Estadual de Desenvolvimento Sustentável – CEDS) is responsible for deliberations of public policies that guide government actions in the state of Piauí. The CEDS is chaired by the State Governor and is composed of 52 councillors, who are representatives of the government and the organised civil society. In this sense, the decisions largely remain with the head of the executive branch and his secretaries, who have broad representation on this council, as shown in the following table. It should also be noted that the state reproduces the same logic at the federal level by ceding little importance to the legislative branch in the formulation of public policies, with only one representative of the State Assembly on the CEDS.

Table 1 – Organisational structure of participatory budgeting in the State of Piauí

<b>Participatory Institutions</b>	<b>Main Institutional Mechanisms</b>
Municipal Assemblies - Total of 224	<ol style="list-style-type: none"> <li>1. Are a responsibility of local actors (government and civil society)</li> <li>2. Are open to citizens</li> <li>3. Set the priorities to be forwarded to the Territorial Council</li> <li>4. Elect two representatives per municipality to compose the Council of Sustainable Territorial Development</li> </ol>
Council of Sustainable Territorial Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS) - Total of 11	<ol style="list-style-type: none"> <li>1. Provides an opinion regarding the demands of the Municipal Assemblies</li> <li>2. Creates a hierarchy of the actions desired for a territory from river criteria defined by the State Council of Sustainable Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS)</li> <li>3. Supports the executive branch in preparing the development plans of the territories</li> <li>4. Encourages and support programmes for enterprises</li> <li>5. Provide opinions about projects and prepare reports on the activities conducted in the region</li> <li>6. Composed of innate members (mayors of the municipalities, presidents of the Legislative Chamber, and one representative of the executive branch of the state) and non-innate members (two representatives per municipality in the region, one representative of an NGO operating in the territory)</li> </ol>
State Council of Sustainable Development	<ol style="list-style-type: none"> <li>1. Chaired by the governor of the state and consists of 52 councillors: 15 are from the state government, with 13 secretaries, 1 member of the legislative branch, and 1 from the judicial branch. The other participants are composed of 15 representatives of civil society organisations and 22 members of the CTDS, two per territory</li> <li>2. Deliberates on the public policies that guide the state's actions</li> </ol>

Source: Prepared by the authors.

According to data presented by the Department of Planning to prepare the guiding plan for government actions in the 2008-2011 quadrennium, 11 regional conferences were conducted to define the actions within the respective territories, in which approximately 3,000 participant citizens were registered, i.e., 0.10% of the state's population, as shown in the following table. However, the actual results of this alleged involvement are not noted in the budget scheme. To what extent were they included in the state's public planning? Currently, it is impossible to know the answer to this question, at least when referring to information published by the government.

**Authors:** Are you managing to meet the demands coming from popular discussions in the allocation of budgetary resources?

**Administrator:** Some demands, yes. Most, not. It's very complicated (Interview with Public Administrator).

Table 2 - Popular participation in the development territories

<b>Territory</b>	<b>Participants</b>
Vale dos Rios Piauí e Itaueira (Valley of the Piauí and Itaueira Rivers)	253
Vale dos Guaribas (Valley of the Guaribas)	321
Vale do Sambito (Valley of the Sambito)	278
Carnaubais	209
Planície Litorânea (Coastal Plain)	385
Tabuleiros do Alto Parnaíba (Tablelands of the High Parnaíba)	190
Chapada das Mangabeiras (Chapada of the Mangabeiras)	229
Serra da Capivara (Mountains of the Capybara)	169
Vale do Canindé (Valley of the Canindé)	192
Cocais	225
Entre Rios	463
<b>Total</b>	<b>2.914</b>

Source: PPA 2008-2011.

Our argument is that, despite the regulation of participatory planning in the state established through a “complementary law”, the

institutions and mechanisms necessary to carry out the normative purposes have not been created. To reach this conclusion, we rely on the lack of information on any systematic deliberation activity on matters of planning in the state of Piauí. We do observe, however, although without a thorough examination of the subject, that there are only occasional formal meetings to “simulate” a participatory process for society in defining the government’s priorities. This fact is widely discussed by the government for political and electoral objectives, although no concrete results have been presented.

Corroborating our argument is the fact that since the passage of the law, no administrative mechanism has been developed by the state government to minimally ensure the implementation of measures “approved by public deliberation”. An informal consultation with the Department of Planning, which is the body legally responsible for it, proves that the government has not created any mechanism for tracking and monitoring public policies or for the policy priorities of the development territories. If one consults the accounting system (through the reports published by the Department of Finance), which should provide codes for the execution of investments from the territorial perspective, no form of control is found. All that is included are those extremely traditional items of expenditure by economic function, nature, element, and function, which provides no information about participatory planning.

There are several reports available concerning the execution of the state budget from a financial perspective. Thus, it is possible to ascertain how much the government spends on salaries for staff, accommodations, airfare, etc. Nevertheless, no information is available regarding how much the government has invested in the 11 development territories.

It is also possible to determine how much the government spends on education in general because there are accounting mechanisms that differentiate the expenditures by means of programming codes. The codes specify each education function so that all expenditures committed for each purpose are given a specific code in the accounting structure. The same process holds for healthcare, security, administration, etc. However, it is not possible to identify the amount of investment

expenditures, for example, in the territory of Entre Rios or the territory of Valley of the Guaribas.

These institutional problems compromise societal accountability because organised civil society cannot observe the activities of the state government. According to Smulovitz and Peruzzotti (2005, in WAMPLER, 2007, p 19), societal accountability is characterised by multiple actions of the organised civil society to expose government activities that contravene the opinion of the majority of citizens, such as demonstrations, calls to the media, and complaints to other agencies (Court of Accounts, Public Prosecutor's Office etc.), among other actions. In this sense, these activities complement citizens' vertical control exercised through the right to vote.

We use as an illustrative example the two main departments of the government that are responsible for many of the purposeful actions of the State: the Department of Education and the Department of Health. Both are decentralised and have warehouses in various regions of Piauí's extensive territory, thus requiring that the departments consider the demands of each region. However, the spatial organisation of these departments bears no relation to the development territories.

In the case of the Department of Education, there are the Regional Offices of Education (Gerências Regionais de Educação – GREs) that are responsible for decentralised actions in the various regions. However, the roles of the GREs are completely separate from the territorial planning. For example, Teresina, which is part of Entre Rios territory, possesses three GREs. The case of healthcare is similar. The regional health administrations are created without any regard to territorial planning.

One could argue that the administrative structures are much older than the territorial planning initiatives, but five years have already passed since the adoption of supplementary law n. 87/2007. Since then, nothing has been done to adapt these organisations to the law. In addition, there is little indication that any government action is planned.

The effectiveness of participatory territorial planning in the case of Piauí urgently requires government action to adjust the administrative structures to the requirements of participation and deliberation. These measures range from institutional arrangements to the establishment

of instruments to manage and monitor the investments made in each territory.

Although the law requires the creation of important institutions in the context of popular participation in public planning, the law itself is not sufficient to guarantee the effectiveness of the measures. On one hand, there is a need for the establishment of institutions that are capable of carrying out measures encouraging participation, including warranties for the systematic functioning of such institutions, as is the case with many of the previously discussed assemblies and councils. On the other hand, the lack of a participatory political culture has been reaffirmed in the context of political discussions with the state. However, instead of being regarded as a fatal limit on public participation, this bottleneck should be addressed by the government through policies that encourage participation and social control.

### ***3.3 Non-associativist tradition and its impact on PB***

The state of Piauí is not nationally recognised for a wide associativist tradition, as occurs, for example, in Porto Alegre. Although the city of Teresina took part in some experiments with the participation of citizens on the municipal councils beginning in the 1990s, the majority of municipalities in the countryside do not have public participation in political life. According to Avritzer (2003), Participatory budgeting alone is not able to generate an associative infrastructure where it does not exist, especially in small towns. In this case, the success of participatory institutions is related to political will and financial capacity.

At the beginning of the process, the broad participation of citizens in municipal councils and commitments to become a councillor aroused great interest among the population of the state of Piauí. However, after a short period, the administrators realised that there was a lack of interest in participation, particularly because, as previously noted, the arena of effective deliberation in the state is the State Council of Sustainable Development - CEDS. Thus, discussions in the councils are seen as a “waste of time”, as exemplified in the following quote:



These are more conservative forces that were already performing an election function before. Thus, at the first moment of the composition, they were important elements to spice up the debate, to enrich the debate. In the second stage, it seems like we've gotten this space, so they lost interest: I better go talk to the governor than waste time here on this council. So, for the participatory planning, that's very bad, for the counsellors, it's very bad, for democracy, it's terrible. Because it gets empty, right? The counsellors have felt it, and at the beginning of the year, we are starting to emerge in this debate.

If we do not speed these councils up, the trend is for an emptying and a loss of space because there are times that, on the political scene, there is not much sympathy for a project that was designed at that time, then you also do not have the strength to make a change of scenario, and we have to keep trying and talking and see to what extent there is a gap, there is a space for us not to let people lose that motivation (Interview with Public Administrator).

Supporting the arguments from the literature (AVRITZER, 2003), it was possible to observe in our research that one of the most successful cases of participatory budgeting was in the Territory of the Valley of the Guaribas River. This territory consists of 39 municipalities, all of which are located in semiarid Piauí. According to the state administrators, there was significant political will among the authorities of this territory. Aiming to boost economic development through family clusters focused on the production of honey and cashews, the mayors mobilised much more compared with other territories. As a result, the administrators argued that it was possible to obtain greater attention from the state government in the region. In the case of Piauí, we realise the importance of political will in a context of low associativism.

The Territory of Cocais, in contrast, presents a history of a more active civil society, and we see greater participation by the citizens. The existence of social movements and associations, such as the movement of the Babassu Coconut Women Breakers, boosted this participation. In this territory, the administrators perceive the greater participation, regardless of the institutional incentives of participatory budgeting.

Much of the resources still cannot match the term outcome, but I say that in terms of participation, organically, you see consistency in the movements, in the things, continuity in the struggles (Interview with Public Administrator).

This perception of administrators is also shared among the directors interviewed for this research. All of the interviewees considered the civil society of their municipalities to be poorly organised, which becomes an impediment for a region's demands to be recognised. The lack of political will of some mayors was also cited as an issue by the councillors. Thus, the active participation of mayors could result in greater achievements for the municipality.

#### **4 Final considerations**

The research conducted on participatory planning in the state of Piauí revealed the fragility of the existing institutional arrangement in the participatory institutions. The analysis of power relations, both formal and informal, proved crucial to the understanding of the studied subject.

From the point of view of institutional design, we observed some mechanisms that are inconsistent with the main characteristics of participatory institutions. We verified that the Councils of Sustainable Territorial Development (Conselhos de Desenvolvimento Territorial Sustentável – CTDS) have no power of self-regulation because their decision criteria are defined by a higher court: the State Council of Sustainable Development (Conselho Estadual de Desenvolvimento Sustentável – CEDS). Because the latter is chaired by the governor and is largely composed of his secretaries, deliberations remain centralised in the state executive.

Furthermore, the analysis of budgeting and planning instruments, especially the PPA 2008-2011, showed that the administrative structure of the state of Piauí does not follow the territoriality arrangement provided by law. Instead, we observe an institutional framework that is based on departments at the expense of territories. Thus, there is a discourse regarding the planning of regional public policies based on programmes in the areas of health, education, infrastructure, etc., but it

is not realised in practice. The budget planning seems more like a “piece of fiction” that only fulfils what is strictly prescribed in the law.

The lack of an associativist political culture in the state makes the effectiveness of the municipal and regional councils even more difficult to achieve because when there is a low participatory culture, the achievements of participatory institutions are highly dependent on the willingness of political leaders and the institutional design, which in the case of Piauí presents mechanisms that discourage citizen participation. Thus, we realise that in cities where there is strong community associativism, there is greater citizen participation on councils and hence greater effectiveness of the deliberative institution.

Finally, we believe that progress in the analysis of the deliberative process provides new aspects to consider in contemporary democratic theory. The discussion of this topic shows that it is possible that political participation can surpass the limits of voting through deliberations at assemblies and councils regarding the direction of public policies. However, in the case of Piauí, the institutional design of the participatory institutions must be improved to provide greater autonomy to the territorial councils. The greater the autonomy and effectiveness of these councils, the more credibility the population will give to deliberative institutions.

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